



PUBLIC NOTICE

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CONNECT AMERICA FUND PHASE II SUPPORT FOR A NEW YORK WINNING BIDDER READY TO BE AUTHORIZED

**Slic Network Solutions Must Submit Letters of Credit and Legal Counsel's Opinion Letters
by Friday, January 8, 2021**

WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau announces that it is ready to authorize Connect America Fund (CAF) Phase II support for Slic Network Solutions (Slic) pursuant to the *Slic Waiver Order*¹ in conjunction with the New York Broadband Program. To be authorized to receive the total 10-year support amount listed in Attachment A, Slic is required to submit acceptable irrevocable stand-by letter(s) of credit and Bankruptcy Code opinion letter(s) from its legal counsel in accordance with the instructions provided below by the applicable deadline. The Bureau, on its own motion, grants a brief, limited waiver of section 54.315(b)(6)(v) of the Commission's rules due to the upcoming federal holidays.² We find good cause to waive section 54.315(b)(6)(v) due to the special circumstance that banks will likely be closed during the federal holidays in December 2020 and January 2021. A limited waiver will serve the public interest by allowing the ready-to-authorize applicant in this Public Notice sufficient time to obtain and to submit irrevocable stand-by letter(s) of credit, and Bankruptcy Code opinion letter(s) from its legal counsel, in accordance with the instructions provided below, **prior to 6:00 p.m. ET on Friday, January 8, 2021.**

On August 27, 2020, we announced the award of \$2.4 million in CAF Phase II support to Slic in additional census blocks consisting of a portion of the New York census blocks that were previously awarded to Mohawk Networks LLC, and we established the deadline for Slic to submit a long-form application for this additional CAF Phase II support.³ We have reviewed the long-form application associated with the winning bid for Slic. Based on the representations and certifications in the relevant long-form application, we are prepared to authorize support, subject to submission of the required letter(s) of credit and Bankruptcy Code opinion letter(s), for Slic's winning bid identified in Attachment A.⁴

¹ See generally *Connect America Fund*, Order, 35 FCC Rcd 10012 (WCB 2020) (*Slic Waiver Order*).

² The Commission's rules require ready to authorize applicants to submit their respective letters of credit no later than 10 business days after we release a public notice identifying long-form applicants that may be authorized to receive Connect America Fund Phase II auction support. *Connect America Fund; ETC Annual Reports and Certifications; Rural Broadband Experiments*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 6045-49, App. B (2016) (*Phase II Auction Order*).

³ *Slic Waiver Order*, 35 FCC Rcd at 10015, para. 9.

⁴ See *Connect America Fund; ETC Annual Reports and Certifications*, Order, 32 FCC Rcd 968, 992, paras. 64-65 (2017) (*New York Auction Waiver Order*); 47 CFR § 54.315(b)(6)(v).

Pursuant to section 54.315(b)(6)(v) of the Commission's rules, long-form applicants that may be authorized to receive Connect America Fund Phase II auction support must submit an irrevocable stand-by letter(s) of credit issued in substantially the same form as set forth in the model letter of credit provided in Appendix B of the *Phase II Auction Order*⁵ by a bank that is acceptable to the Commission by the applicable deadline, here, by **6:00 p.m. ET on Friday, January 8, 2021**.⁶ **Prior to submitting their letters of credit, we encourage long-form applicants to view and share with their issuing banks the Letter of Credit Common Errors List available on USAC's website:** <https://www.usac.org/hc/funds/caf-phase-ii-auction.aspx>.

The letter of credit must be submitted in an amount equal to at least the first year of support in the state.⁷ Before a support recipient can receive its next year's support and each year's support thereafter, it must modify, renew, or obtain a new letter of credit to ensure that it is valued at a minimum at the total amount of support that has already been disbursed plus the amount of support that is going to be provided in the next year, subject to certain reductions when the support recipient has substantially met its service milestones.⁸

In addition, a long-form applicant is required to provide with the letter of credit an opinion letter from legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that, in a proceeding under the Bankruptcy Code, the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the long-form applicant's bankruptcy estate, or the bankruptcy estate of any other bidder-related entity requesting issuance of the letter of credit, under section 541 of the Bankruptcy Code.⁹

By future public notice, we will authorize support for specific winning bids for which all requirements, including submission of the letter of credit and opinion letter, have been met.

Details concerning the next steps are set forth below.

Instructions for Submission of Letter of Credit and Opinion Letter

Slic must submit a letter(s) of credit and opinion letter(s) for its new winning bid identified in Attachment A. The letter(s) of credit and opinion letter(s) submitted to the Universal Service Administrative Company (USAC) must reference the relevant study area code as listed in Attachment A.

The original of the letter of credit and opinion letter must be submitted to USAC by the applicable deadline—**prior to 6:00 p.m. ET on Friday, January 8, 2021**, at the following address: Universal Service Administrative Company (USAC), High Cost Program, CAF Phase II Auction NY LOC, 700 12th Street, NW, Suite 900, Washington, DC 20005. We recommend that Slic send the originals of both the letter of credit and the opinion letter by means of delivery requiring signature. These documents may be sent to the attention of Joanne Kim.

A copy of the letter of credit and opinion letter must also be submitted to ConnectAmerica@fcc.gov by the applicable deadline—**prior to 6:00 p.m. ET on Friday, January 8, 2021**. Slic must provide this required information in two attachments. Such attachments will be treated as confidential trade secrets

⁵ *Phase II Auction Order*, 31 FCC Rcd at 6045-49, App. B.

⁶ The Commission's rules list specific requirements for a bank to be acceptable to the Commission to issue the letter of credit. Those requirements vary for United States banks and non-U.S. banks. See 47 CFR § 54.315(c)(2); *Phase II Auction Order*, 31 FCC Rcd at 5992-97, paras. 126-33.

⁷ *Phase II Auction Order*, 31 FCC Rcd at 5991, para. 122.

⁸ *New York Auction Waiver Order*, 32 FCC Rcd at 992, paras. 65-65; 47 CFR § 54.315(c)(1); *Phase II Auction Order*, 31 FCC Rcd at 5991, 5997, paras. 122, 135.

⁹ 11 U.S.C. § 541; 47 CFR § 54.315(c)(3); *Phase II Auction Order*, 31 FCC Rcd at 5992, para. 125; *New York Auction Waiver Order*, 32 FCC Rcd at 992, para. 65.

and/or commercial information and withheld from routine public inspection.¹⁰ As such, Slic need not submit a section 0.459 confidentiality request for this information.¹¹

If Slic fails to file the required documents¹² for the identified winning bid by the applicable deadline – **prior to 6:00 p.m. ET on Friday, January 8, 2021** – it will be in default on such bid and subject to forfeiture.¹³

For additional information on this proceeding, contact Stephen Wang (Stephen.Wang@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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¹⁰ If a request for public inspection under section 0.461 is made for the long-form applicant's letter of credit or attorney opinion letter, the long-form applicant will be notified and then must justify the continued confidential treatment of the information if it objects to the disclosure. 47 CFR §§ 0.459, 0.461.

¹¹ 47 CFR § 0.459.

¹² 47 CFR § 54.313(b)(6)(v).

¹³ *Phase II Auction Order*, 31 FCC Rcd at 6000-01, paras. 143-45.

ATTACHMENT A

New York Winning Bidder Ready to Be Authorized

Bidder Name	Study Area Code	Census Blocks Covered by Selected Bid	Locations Covered by Selected Bid	Total Estimated CAF Award
Slic Network Solutions	159038	122	906	\$2,399,085